



STATE BOARD OF EQUALIZATION

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No. 82/43

March 17, 1982

TO COUNTY ASSESSORS:

FLOATING HOMES

On February 17, 1982, Governor Brown signed into law Assembly Bill 1506, which is Chapter 44 of the Statutes of 1982. This urgency statute, effective for the 1982 lien date, adds Revenue and Taxation Code Section 229, which defines "floating homes" and provides guidelines for their assessment. The basic elements of this section are:

1. floating homes shall be treated as if they were real property for tax assessment purposes; and
2. the 1979 full cash value of floating homes shall be used as the base value instead of the 1975 full cash value.

All other provisions of Article XIII A apply to floating homes, except that the 1979-80 assessment roll shall be used in place of the 1975-76 assessment roll referred to in subdivision (c) of Revenue and Taxation Code Section 110.1.

Legislative intent was apparently not to classify floating homes as either real or personal property, but simply to extend the provisions of Article XIII A to them, thus placing them on a taxation system on a par with that of mobilehomes and conventional homes. The definition of floating home given in Section 229 (c) specifically excludes vessels. Revenue and Taxation Code Section 6273 defines a vessel in part as "any boat, ship, barge, craft, or floating thing designed for navigation on the water..." The primary distinction between a vessel and a floating home is that a vessel is designed for navigation, that is, for travel through water, whereas a floating home is designed and built to be used as a stationary waterborne residential dwelling. Thus, a commercial fishing boat converted to residential use or a yacht on which the owner lives throughout the year would not qualify as floating homes. Such vessels will continue to be assessed as personal property, and will be revalued annually.

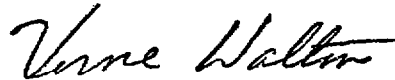
TO COUNTY ASSESSORS

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Floating homes are found primarily in coastal counties in northern California. Many of them have been assessed according to Article XIII A since its enactment. Assembly Bill 1506 provides statutory authority for this practice while effecting a compromise in the base year value to be used.

A copy of this bill is enclosed for your information. If you have any questions about this legislation, please contact our Technical Services (Real Property) Section of this division at 445-4982.

Sincerely,



Verne Walton, Chief
Assessment Standards Division

VW:bjb
Enclosure
AL-08-1326A